

MINUTE ITEM

7. APPLICATION FOR PROSPECTING PERMIT, JAMES MORSE VAN HORN, TUOLUMNE COUNTY - W.O. 3432, P.R.C. 2627.2.

After consideration of Calendar Item 16 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

PURSUANT TO SECTION 6891 OF THE PUBLIC RESOURCES CODE, THE EXECUTIVE OFFICER IS AUTHORIZED TO EXECUTE AND ISSUE A TWO-YEAR PROSPECTING PERMIT, FOR ALL MINERALS OTHER THAN OIL OR GAS, TO JAMES MORSE VAN HORN FOR 73 ACRES, MORE OR LESS, OF LANDS IN WHICH THE STATE HAS RESERVED ALL MINERALS, IN LOTS 5, 10 AND 11 IN SECTION 5, T. 5 N., R. 14 E., M.D.B. & M., TUOLUMNE COUNTY, FOR A PERMIT FEE OF \$73, WITH ROYALTY PAYABLE UNDER ANY PREFERENTIAL LEASE ISSUED UPON DISCOVERY OF COMMERCIALY VALUABLE DEPOSITS OF MINERALS UPON ANY AND ALL MINERALS PRODUCED, EXTRACTED, OR SOLD FROM SAID LEASE PREMISES TO BE DETERMINED AS FOLLOWS:

1. FOR GOLD, SILVER, OTHER PRECIOUS MINERALS, AND RADIOACTIVE MINERALS

$$R = 3.00 + .01 (C - 20.00)^2$$

2. FOR NONPRECIOUS METALLIC MINERALS

$$R = 3.00 + 0.37 (C - 60.00)$$

3. FOR NONMETALLIC MINERALS

$$R = .50 + .15 (C - 8.00)$$

WHERE R = ROYALTY IN DOLLARS AND CENTS PER TON OF ORE

C = WEIGHTED AVERAGE OF GROSS SALES PRICE OF ORE SOLD DETERMINED ON A QUARTERLY BASIS DURING THE FIRST YEAR IN WHICH SALES OCCUR, THEREAFTER THE WEIGHTED AVERAGE DETERMINED BY GROSS SALES PRICE OF ORE SOLD DURING THE PREVIOUS YEAR IN WHICH SALES OCCURRED.

THE MINIMUM ROYALTY UNDER ANY LEASE ISSUED PURSUANT TO THIS PERMIT SHALL BE:

1. FOR GOLD, SILVER, OTHER PRECIOUS MINERALS, AND RADIOACTIVE MINERALS:

\$3.00 PER TON OF ORE.

2. FOR NONPRECIOUS METALLIC MINERALS:

\$3.00 PER TON OF ORE

3. FOR NONMETALLIC MINERALS:

\$0.50 PER TON OF ORE.

THE MAXIMUM ROYALTY FOR GOLD, SILVER, OTHER PRECIOUS MINERALS, AND RADIOACTIVE MINERALS SHALL NOT EXCEED 50 PER CENT OF THE AVERAGE GROSS SALES PRICE OF THE ORE.

THE MAXIMUM ROYALTY FOR ALL NONPRECIOUS METALLIC AND NONMETALLIC MINERALS SHALL NOT EXCEED 25 PER CENT OF THE AVERAGE GROSS SALES PRICE OF THE ORE.

Attachment

Calendar Item 16 (2 pages)

CALENDAR ITEM

16.

APPLICATION FOR PROSPECTING PERMIT, JAMES MORSE VAN HORN, TUOLUMNE COUNTY - W.O. 3432.

An application has been received from James Morse Van Horn, San Carlos, California, for a prospecting permit to prospect for all minerals, other than oil or gas, on 73 acres, more or less, of land in which the minerals are reserved to the State, in Lots 5, 10 and 11 in Section 5, T. 1 N., R. 14 E., M.D.B. & M., Tuolumne County.

Field reconnaissance and record review by the staff have shown that the area for which the application has been made cannot be classified at this time as known to contain commercially valuable mineral deposits. The surface owner of the lands covered in the proposed prospecting permit has waived her preferential right to a prospecting permit.

The statutory filing fee of \$5 has been paid, and the permit fee of \$73 has been deposited by the applicant.

IT IS RECOMMENDED THAT, PURSUANT TO SECTION 6891 OF THE PUBLIC RESOURCES CODE, THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO EXECUTE AND ISSUE A TWO-YEAR PROSPECTING PERMIT, FOR ALL MINERALS OTHER THAN OIL OR GAS, TO JAMES MORSE VAN HORN FOR 73 ACRES, MORE OR LESS, OF LANDS IN WHICH THE STATE HAS RESERVED ALL MINERALS, IN LOTS 5, 10 AND 11 IN SECTION 5, T. 5 N., R. 14 E., M.D.B. & M., TUOLUMNE COUNTY, FOR A PERMIT FEE OF \$73, WITH ROYALTY PAYABLE UNDER ANY PREFERENTIAL LEASE ISSUED UPON DISCOVERY OF COMMERCIALY VALUABLE DEPOSITS OF MINERALS UPON ANY AND ALL MINERALS PRODUCED, EXTRACTED, OR SOLD FROM SAID LEASE PREMISES TO BE DETERMINED AS FOLLOWS:

1. FOR GOLD, SILVER, OTHER PRECIOUS MINERALS, AND RADIOACTIVE MINERALS

$$R = 3.00 + .01 (C - 20.00)^2$$

2. FOR NONPRECIOUS METALLIC MINERALS

$$R = 3.00 + 0.37 (C - 60.00)$$

3. FOR NONMETALLIC MINERALS

$$R = .50 + .15 (C - 8.00)$$

WHERE R = ROYALTY IN DOLLARS AND CENTS PER TON OF ORE

C = WEIGHTED AVERAGE OF GROSS SALES PRICE OF ORE SOLD DETERMINED ON A QUARTERLY BASIS DURING THE FIRST YEAR IN WHICH SALES OCCUR. THEREAFTER THE WEIGHTED AVERAGE DETERMINED BY GROSS SALES PRICE OF ORE SOLD DURING THE PREVIOUS YEAR IN WHICH SALES OCCURRED.

CALENDAR ITEM 16. (CONTD.)

THE MINIMUM ROYALTY UNDER ANY LEASE ISSUED PURSUANT TO THIS PERMIT SHALL BE:

1. FOR GOLD, SILVER, OTHER PRECIOUS MINERALS, AND RADIOACTIVE MINERALS:

\$3.00 PER TON OF ORE.

2. FOR NONPRECIOUS METALLIC MINERALS:

\$3.00 PER TON OF ORE.

3. FOR NONMETALLIC MINERALS:

\$0.50 PER TON OF ORE.

THE MAXIMUM ROYALTY FOR GOLD, SILVER, OTHER PRECIOUS MINERALS, AND RADIOACTIVE MINERALS SHALL NOT EXCEED 50 PER CENT OF THE AVERAGE GROSS SALES PRICE OF THE ORE.

THE MAXIMUM ROYALTY FOR ALL NONPRECIOUS METALLIC AND NONMETALLIC MINERALS SHALL NOT EXCEED 25 PER CENT OF THE AVERAGE GROSS SALES PRICE OF THE ORE.